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27 June 1986

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

FROM: William F. Donnelly
Deputy Director for Administration

SUBJECT: The DA - An Action Agenda

REFERENCE: Memo for DDA fm DCI, dtd 10 June 1986,
Same Subject

1. This paper deals with ten topics. They are interrelated. However, each in its way stands alone and requires specific direction, planning and follow through. Several require changes in culture, attitudes and perhaps organizational structure. Three (h, i, and j below) are the continuation of what is underway. All demand a clear focus on our evolving intelligence mission, and, in that light, require us to make choices between what we do which is merely useful and that which is essential.

2. In no particular priority, stated simply, I think the following should be done by or within the Directorate of Administration:

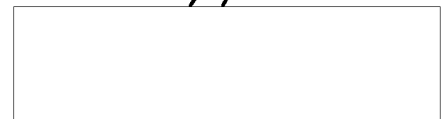
a. In the interest of the whole Agency, the activities of the Offices of Personnel, Security, Training and Education, Medical Services and the compensation functions of Finance must be brought closer together and be better coordinated.

b. A processing center for new Agency employees should be established and the recruitment process overhauled.

c. The background investigation and polygraph process should be reexamined and adjusted both at the initial and at the reinvestigation stages.

d. A compassionate but firmly managed structure needs to be put in place to handle Agency employees living on the "margin".

e. The compensation and reward systems of the Agency must be converted to a modern, flexible system which directly contributes to bringing out the best in all Agency employees.

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f. An aggressive education/reeducation program should be established for selected Agency employees and blended with a meaningful executive development program.

g. For fiscal, security, and efficiency reasons, the number of overt compounds (buildings) occupied by the Agency in the Washington area should be reduced

h. In the interest of the whole Agency, we should continue steps to better coordinate the activities of the Offices of Communications, Information Technology, Information Services, and the publication and printing functions of Logistics.

i. The upgrade and recapitalization of our ADP and communications facilities and capabilities, which serve the whole Agency, should continue unabated.

j. The surge of additional resources into the technical security arena should be maintained.

3. In a few words I will expand on each action item listed above. The paragraphs below deal with the topics in the same sequence as presented in paragraph 2.

a. The Offices of Personnel, Security, Training and Education, Medical Services and the compensation functions of Finance are particularly involved in people-related activities. A workload increase in one office usually plays out through the others. The record shows, for example, that OS should have expanded sooner to meet the recruitment upswing in OP in the past few years. It didn't. There are other examples of uncoordinated, uneven response to change from office to office. This group of offices--along with line managers--are responsible for the well being of our people from the employee services viewpoint but equally important they should be concerned with assessment, signals of vulnerability, and all the other small indicators which reveal morale slippage and individual human problems which may lead to suitability problems. Each of these offices probably has a separate record--paper or computerized--about each of us. This is duplicative. These offices have traditionally operated more or less independently of each other. I intend to move to correct this situation by (a) making the ADDA responsible for ensuring that these offices carry out their activities in a closely coordinated program in the interest of the Agency as a whole, and (b) by instituting a standard corporate computerized data base with appropriate compartmentation.

b. The recruiting process has been the topic of much debate. There is general agreement, however, that for security and efficiency reasons it would be wise to have a processing center for new employees located away from the buildings where the bulk of us work. I intend to move toward the establishment of such a center

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25X1 As for the recruitment process, the existing system produced more than
25X1 [] new employees in 1984 and again in 1985. (For comparison, about []
were recruited in 1980.) But the mix of employees in the pipeline is not
right and we have not been able to keep a balanced flow of CTs and
secretaries and DI analysts and communicators and ADP specialists, etc.
We don't respond quickly to new special recruitment requirements for
diverse types of people. The queue is cluttered with "easy" candidates.
The OS backlog stifles us. The mass of paperwork in OP and OS slows us
down. In my view, the whole recruitment processing system needs to be
streamlined from end to end and more closely managed. It needs to be
turned into a recruitment system for the 1990s which is responsive to our
needs and changes in our intelligence mission. I intend to model the
recruitment process through OP, OS, OMS to OTE, then overhaul it where
required to make it more flexible, responsive, productive, and
accountable. I also aim to expand the co-op and similar special programs
wherein we seek to develop an earlier relationship with the types of
people we want. But a word of caution. The existing process needs to be
improved while continuing to operate. We must recruit in the meantime.

(A word needs to be said about the customers of the recruitment
process. The Agency's employee mix is changing. We have career and
short-term requirements. Our mission is evolving and changes in emphasis
and technology are changing us. As a result, the talents we need now and
into the 1990s are different from the 1970s. These changing personnel
requirements create new recruitment criteria which must be clearly
conveyed to OP so we recruit for present needs and with an eye on
tomorrow.)

c. An IG inspection of the Polygraph Division of OS is in final
draft. It deals with a critical area of our security/personnel system
which needs reexamination and tuning. I intend to adjust the background
investigation and polygraph processes so that we can proceed more rapidly
in these areas. We are already taking steps to increase the number of
RIPs, to perform more analysis, and to cause OS to work more closely with
OMS. But OS, as I have stated on other occasions, in my opinion, is
presently a traumatized organization. The impact of new leadership,
reorganization, added emphasis on technical security, several senior
retirements, the Howard and Chin cases as well as the infusion of a large
number of new employees into the Polygraph Division needs to be digested.

25X1 d. The need to put a structure in place to handle Agency employees
living on the "margin" is a sensitive topic. It smacks of intrusion into
one's privacy. But, with compassion, it is a topic that an intelligence
organization must face because of the inherent security overtones. Steps
have already been taken to begin to identify the magnitude of the
problem. For example, we know that out of [] current loans granted by
the Credit Union, payment on 35 are in arrears by six months or more.
There is no system today, for a combination of reasons, that signals these

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35 cases to us so that we can monitor them or assist the individuals involved. I intend to establish a mechanism, hopefully unobtrusive and compassionate in outlook, to identify, monitor, and assist--in the interest of the employee and the Agency--employees who are in difficulty.

25X1 e. In my opinion, the employees in this Agency deserve a new compensation system! We have been stuck too long with the inflexible, bureaucratic GS schedule. The fact that we have implemented "banding" in OC for about 1,400 employees and are taking the final steps toward implementing a similar new pay system for a larger group of secretaries are clear indications that the time for change is here. Recently, I mentioned at the EXCOM meeting [redacted] where the FY-88/89 budgets were reviewed, that the whole Agency should have a new compensation system. No one disagreed. I intend to aggressively move to establish a new compensation system to be implemented in the next two years.

The granting of awards--particularly fiscal awards--is an important but uneven process across the Agency. I have asked the ADDA, in consultation with others, to propose a new standard awards guide/criteria for use across the whole Agency.

f. We are living in dynamic times. Change is all around us, particularly technological change. One way of coping with this change is to have an aggressive education/reeducation program for selected Agency employees. I have in mind full-time external education wherein analysts, engineers, ADP specialists and others are invested in by the Agency by being sent for a year's training at various universities. In the past five years such education has been provided to 30 persons per year. I believe triple that number should be training externally per year and this education/reeducation program should be meshed with an executive development program.

25X1 g. In my opinion, the Agency in the Washington area is dispersed in too many compounds (buildings). We work in [redacted] areas. This is costly from an efficiency, fiscal, and security viewpoint. Just to provide secure communications to all these locations is extremely expensive. I intend to reduce the number of overt compounds in the Washington area to [redacted] I think that this can be accomplished by the 1989/90 time frame. I visualize our facilities being the Headquarters Compound, [redacted]

25X1 [redacted] Initiatives
25X1 to accomplish this objective are already underway.

h.i.j. Finally, we already have taken steps to bring closer together OC and OIT. The upgrade and recapitalization of our ADP and communications facilities and capabilities is well underway. More resources are being added to technical security. These continue to be action items. These ongoing initiatives need to be brought to fruition.

I aim to keep the momentum in these areas by appointing a senior "coordinator" to ensure that the investments being made, and the reorganizations associated with them, stay on course and are followed through and integrated. With respect to the technical security/countermeasures initiatives, a senior officer attached to the

4. This action agenda is ambitious but if accepted and accomplished, it should improve and strengthen the Agency for several years to come.

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